

DD/S 70-4937

MEMORANDUM FOR: Chief, DD/S Plans Staff

SUBJECT : Implementation of OMB Circular A-44 (Revised),
dated 16 February 1970

REFERENCES : (a) DD/S 70-4530, dated 16 November 1970,
above subject; w/att.

(b) Agency's Management Improvement Program
Implementation Instructions (issued in
compliance with subject directive)

1. There is attached as requested by reference (a) the
Office of Finance contribution to the Support Directorate's
Management Improvement and Cost Reduction Report.

2. Although many of the goals established will have an
impact on offices supported by SF personnel and thus extend
beyond our office budget, it is unlikely any of the goals will
overlap or duplicate goals established by other offices.



Director of Finance

Attachment

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OFFICE OF FINANCE MANAGEMENT IMPROVEMENT AND COST REDUCTION REPORT

1 January - 30 June 1971

SECTION I - MANAGEMENT EFFECTIVENESS GOALS

1. ADP APPLICATIONS

Continue to participate with the Office of Computer Service representatives to improve and increase ADP applications for the processing of financial data with emphasis on greater efficiency, reduction in manual operations, greater flexibility to meet changing requirements and more timely reporting to various levels of financial management. Specific targets during the reporting period are:

a. Financial Reporting

Continue the four-part survey commenced in July, 1970, of the use and effectiveness of computer produced financial reports, ultimate objectives of which are (1) improved currency and turnaround time, (2) reduction in manual record keeping, (3) elimination of certain hard copy reports, (4) greater use of "reporting by exception" techniques, (5) review systems of other Government agencies to interchange ideas and report on state of the art advancements and (6) a general updating of reporting requirements.

b. Payroll System

Continue to provide assistance to the SIPS group in development of System Design Specifications for a new computer-based integrated payroll system for all personnel under official cover; the system when implemented will provide for biweekly payrolling of overseas personnel and is expected to result in as yet undetermined manpower savings in the Compensation and Tax Division.

c. U. S. Savings Bonds

Devise a proposed method for printing savings bonds which will permit us to discontinue use of outdated addressograph plates and related equipment.

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e. Contract Information System

Develop a plan to provide for the input of financial data into the procurement subsystem and provide outputs which will (1) eliminate the need for manual recording of approximately 2,100 vendor card files maintained by C&LD, (2) facilitate analysis by ICAD of vendor accounts subject to audit, and (3) eliminate manual preparation of certain reports by ICAD.

f. Voucher Batch Control

Utilize existing computer capabilities in the voucher recording process for verification of debit and credit inputs for batch control purposes. This will eliminate the current requirement for manual verification of voucher totals and preparation of batch totals for approximately 300 vouchers per day.

g. Advance Account Header Cards

Utilize a computer prepared personnel roster to assign names and division locations to advance accounts; eliminate the present manual operation of preparing header card inputs and verifying each advance to determine if a header card has been established.

h. Employer Tax Returns

Arrange for computer prepared reports to be produced as a by-product of the Agency's payroll system to provide the data needed for preparation of employer tax returns for 60 devised payroll facilities. This will permit us to discontinue maintenance of double entry accounting records for such devised payroll facilities.

2. ACCOUNTING PROCEDURES

a. Reconciliation of Property Accountings

✓ Simplify procedures for reconciling Type II installations' annual property accountings with headquarters control accounts by use of selective reviews and sampling techniques. This will reduce

research and analysis and follow-up correspondence involved in the detailed review required under present reconciliation procedures and permit more timely processing of the accountings.

b. Property Earmarked for Shipment

Revise the accounting procedures for control of property earmarked for shipment and in transit; also eliminate the manual handling and recording by Accounts Division of an estimated forty to fifty thousand shipping documents per year and substitute therefor computer generated entries and outputs derived as a by-product of Logistics processing.

c. Office of Finance Procedural Handbook

Develop format for and commence work on a comprehensive procedural handbook for Office of Finance internal operations. This handbook when completed will represent an updating and codification of existing instructional material which has been issued in various forms. Additional material will also be developed and included in the handbook as necessary to make the instructions responsive to current requirements.

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3. REORGANIZATION

Consolidate commercially oriented accounting and auditing functions of the Office of Finance by merger of the Proprietary Systems and Accounts Division and the Industrial Contract Audit Division into one new division called "Commercial Audit and Accounts Division". This consolidation will provide for more efficient utilization of available manpower, flexibility to cope with seasonal peaks in workloads through interchanges of personnel, broadening experience of employees, reduction of travel costs and other administrative economies.

4. TRAINING

a. Industrial Contract Auditors

Continue the reassignment of accountants from other areas of Finance to the industrial contract audit activity for a long range training program. The objective is to develop a broad base of trained industrial contract auditors who can readily move into other areas of Finance to meet the exigencies of the service.

b. Co-operative Education Program

Intensify our efforts in implementation of the Co-operative Education Program established at the beginning of FY 1971.

The objective of the program is a cadre of professional accountants who have been oriented and trained across the board in the finance field over a period of 3 or 4 years. One co-op student has entered on duty; our goal for the balance of the fiscal year is to bring 5 more students on duty under this program.

5. MISCELLANEOUS

a. Distribution of Reports

Create a distribution point in Headquarters Building for critical financial reports to reduce transmittal time by approximately 3 work days.

b. Records Storage

Vault certain areas in the Certification and Liaison Division and install open shelf filing. This will eliminate 41 four-drawer combination lock type safes and the requirement to open and secure them.

c. Decentralization

To examine and identify areas where expanded decentralization of functions might offer increased efficiency in processing financial transactions.

d. Decision Digest

Develop format for and begin work on a digest of policy interpretations concerning application of Agency regulations for financial administration. The digest will be designed for the general information and guidance of certifying officers at Headquarters and field installations.

SECTION II - COST REDUCTION GOALS

Although certain of the goals identified in Section I will, when fully implemented, result in measurable cost reductions, any such reductions prior to 30 June 1971 will be minimal.